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27 May 1981

MEMORANDUM FOR THE RECORD

FROM:

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C/EPDS/Comptroller/MRB

SUBJECT: Operational Activity PDDYNAMIC -
FY 81 Renewal

REFERENCE: C/EPDS Memorandum to the ADDO,
Dated 19 May 1981, Subject:
Proposed Renewal of OPACT PDDYNAMIC

1. The FY 1981 renewal of Operational Activity PDDYNAMIC was approved by the ADDO 23 May 1981 for the requested total funds authorization of [] .

2. As noted in the referenced EPDS memorandum, the ADDO in approving the FY 80 renewal directed the CA Staff to prepare an Administrative Plan for the Activity, a Plan which has, however, not yet been written. The EPDS memorandum recommends renewal but includes the caveat that an Admin Plan must be prepared for ADDO approval by 1 July 1981. The ADDO's approval of the action endorsed that caveat.

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SOURCES METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
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19 May 1981

MEMORANDUM FOR: John H. Stein
Associate Deputy Director for Operations

FROM: []
Chief, Evaluation and Program Design Staff

SUBJECT: Proposed Renewal of OPACT PDDYNAMIC

1. PDDYNAMIC is one of the larger book programs (\$ [] in FY 81), and supports a New York-based Ukrainian exile organization, ZP/UHVR, and its publishing operation, PROLOG, in Munich.

2. Background. Since there is little "ops data" in the renewal, and no Admin Plan other than one rescinded in 1978, a brief description of this operation may be useful. ZP/UHVR is one of several Ukrainian exile groups in the U.S. and Europe. ZP/UHVR is more "moderate" than most, i.e., it is not fanatically anti-Bolshevik, monarchist or neo-Fascist. The organization employs six full-time personnel in New York, and gets 80 percent of its funds from CIA. ZP/UHVR elects its own officers; the current President and principal agent, PDDYNAMIC/17, was elected in 1980.

3. Why do we deal with ZP/UHVR, rather than a similar Ukrainian publishing house in Baltimore, or one of the other Ukrainian groups in Europe or New York? Basically, because the group is moderate, "political" rather than cultural and social, and for historical reasons, i.e., we have been dealing with this group since the early 1950's in a variety of CA and FI operations. ZP/UHVR is also responsive to our interest in publishing works responsive to the concerns of people inside the Ukraine, rather than publishing works which might sell better in the exile communities in Europe and the U.S.

4. No field case officers are involved in this operation. It is case-officered by personnel in IAD/CA Staff who meet the PDDYNAMIC leaders at least monthly in New York and Washington. Funding is entirely through quarterly sterile bank transfers to the ZP/UHVR and PROLOG accounts, for which they submit the organization's accounts ledgers describing how the money is spent.

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5. This is one of several book programs which recently began miniaturizing some publications, using OTS facilities for a process which is not commercially available.

6. Purpose and Effectiveness. This operation's goal is to support Ukranian opposition groups in the USSR which seek moderation of the Soviet political system and oppose Soviet "Russification" policies. There is no evidence that the PDDYNAMIC operation has had any direct impact on the Soviet political system or on any Soviet policies. There is ample evidence that the PDDYNAMIC journal and books are eagerly received and respected by dissidents and others in the Ukraine. This is clear from the testimony of leading defectors, from reports from dissidents in the Ukraine, and from Soviet official criticism of the publications.

7. PDDYNAMIC also runs an extensive program of legal travel into the Ukraine, mainly for samizdat-related activities, and generally to maintain contacts with family and friends in the USSR. PDDYNAMIC also debriefs new emigres in Europe.

8. Plans, Changes. The attached renewal notes the plans to encourage more contacts between Poles and Ukranians, and to orient PDDYNAMIC more toward labor questions, as opposed to political or cultrual questions. Certain assets in the Munich office of PDDYNAMIC may also become involved in Central Asian operations, basically to help prepare a distribution network for the materials which may be published by the new [] institute in London. CA Staff does not feel that this breach of compartmentation will create a significant risk for either operation.

9. Cost Increases. The renewal notes that the PDDYNAMIC assets, and CA Staff, are concerned that funding increases for this operation have not kept pace with inflation and the declining value of the dollar versus the West German mark. In brief, this concern does not seem to EPDS to be well-founded; PDDYNAMIC funding has increased 46 percent in the last four budgets:

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10. Administrative Plan. Last year, in approving this operation, the ADDO directed CA Staff to prepare an Admin Plan; the Plan has not yet been written. The information in paragraph 4 above regarding funding was obtained by phone from CA Staff. EPDS is satisfied that no significant irregularities in Agency accounting procedures have taken place regarding PDDYNAMIC, but no true evaluation of those aspects of the operation can be done without the Admin Plan.

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Approved as written _____

Approved, with the caveat that an Admin Plan ~~must~~ be prepared for ADDO approval by 1 July 1981 [] _____